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To: Microsoft ATR
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Subject: Is the current settlement stupid or just naive? my vote: IT IS NOT ENOUGH

I'm very curious why the government seems so confident that simply ordering Microsoft not to violate its anti-trust rules will be effective. Even with the "teeth" of financial penalties, Microsoft has already demonstrated a history of flaunting its violations in the face of the court. They have so much profit that even stiff financial penalties create little corporate motivation for compliance.

Microsoft can break the court's anti-trust orders intentionally, knowing they will simply pay the financial cost, take their case to court to remove the ongoing penalties while they're appealing the issue and shift their historically consistent anti-competitive practices to a different mode that isn't the current focus of the courts.

Who loses when Microsoft practices this tactic? Competitors AND consumers. The tech sector moves so rapidly that businesses can go bankrupt in the time it takes to settle a Microsoft issue in court (Netscape comes to mind). This leads to LOSS of innovation through the demise of innovating companies. Microsoft is not threatened by competitors which don't innovate. It is the innovative competitors which represent a corporate threat to them.

It is very often the small startup companies that are TRULY innovating--unlike Microsoft which often simply mimics others' innovations. When small companies enter competition with existing monoliths like Microsoft, they can only thrive if they offer a significantly better alternative. The tech sector universally acknowledges that market share often outweighs innovation in influencing the direction of technology. This makes federal protection of small innovators all the more important for our nation to truly thrive in the tech oriented global economy. These small startups are one of the most valuable American innovative forces. And THESE companies are the ones who go out of business because of Microsoft's predatory practices, or simply resign from competing with Microsoft because they don't have the financial resources to fight a court battle with Microsoft (whose financial resources for such endeavors are almost inexhaustible). This means Microsoft ends up winning the tech competition even if they receive a court judgment against them and pay a heavy fine.

Have "we" learned ANYTHING from the history of previous federal injunctions against Microsoft which we were repeatedly broken? What did we learn about Microsoft from their "compliance" with judicial orders to remove Internet Explorer from the Windows operating system? They basically "fingered" the court when they intentionally crippled the operating system as a side effect of their "compliance". While judge Jackson's decision to talk to the media may have been considered an indiscretion for legal purposes which worked to Microsoft's advantage, that in no way lessens the significance of the

contempt for the court that Microsoft displayed so many times during the hearings with judge Jackson. This reveals an endemic cultural attitude which can't be resolved by the imposition of court orders and fines. The only way to break that attitude is by breaking up the company.

FINAL POINT: BREAK MICROSOFT UP!

In my opinion, the only remedy which does justice to the federal court's conclusion identifying Microsoft as a monopoly is to break up the company. I believe this is the only way to truly prevent Microsoft from abusing its monolithic power and influence. The more Microsoft diversifies into different markets, the greater its ability to dominate a new market through the misuse of its monopolizing control in a different market segment. Unless something happens to change the current settlement, it appears we're all going to get to sit back and watch this happen.